Mun Siong Engineering Limited

Condensed Interim Financial Statements for the six months ended 30 June 2026

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group		
	6 months ended 30 June		Incr / (Decr) %
	1H 2026	1H 2025	
	$'000	$'000	
Revenue	29,866	31,771	(6.0)
Cost of Sales	(27,229)	(31,426)	(13.4)
Gross Profit	**2,637**	**345**	**664.3**
Other income	366	773	(52.7)
Administrative expenses	(4,045)	(3,808)	6.2
Other operating Income /(expenses)	139	(784)	NM
Share of results of an equity-accounted investee	14	83	(83.1)
Results from operating activities	**(889)**	**(3,391)**	**(73.8)**
Finance Income	49	55	(10.9)
Finance costs	(115)	(105)	9.5
Loss before income tax	**(955)**	**(3,441)**	**(72.2)**
Tax expenses	(231)	(106)	117.9
Loss after income tax	**(1,186)**	**(3,547)**	**(66.6)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation difference from foreign operations	6	270	(97.8)
Total other comprehensive loss	**(1,180)**	**(3,277)**	**(64.0)**
Loss attributable to:			
Owners of the Company	(1,186)	(3,547)	(66.6)
Non-Controlling Interest	-	-	-
	(1,186)	**(3,547)**	**(66.6)**
Total comprehensive loss attributable to:			
Owners of the Company	(1,180)	(3,277)	(64.0)
Non-Controlling Interest	-	-	-
	(1,180)	**(3,277)**	**(64.0)**

Earning per share for profit/(loss) for the period attributable to the owners of the Company during the year:

	1H 2026	1H 2025
Basic (SGD in cent)	(0.20)	(0.61)
Diluted (SGD in cent)	(0.20)	(0.61)

NM: Not meaningful

MUN SIONG ENGINEERING LIMITED
(Incorporated in the Republic of Singapore)
(Company registration number: 196900250M)

B. Condensed interim statements of financial position

	Group		Change	Company (Note 1)		Change
	30-Jun-26	31-Dec-25		30-Jun-26	31-Dec-25	
	$'000	$'000	%	$'000	$'000	%
ASSETS						
Non-current assets						
Property, plant and equipment	28,574	29,782	*(4.1)*	16,412	17,260	*(4.9)*
Investment properties	1,291	1,291	-	1,291	1,291	-
Investment in an equity-accounted investee	1,019	999	*2.0*	622	622	-
Subsidiaries	-	-	-	4,223	4,223	-
Other receivables	-	-	-	23,988	23,866	*0.5*
Total non-current assets	**30,884**	**32,072**	*(3.7)*	**46,536**	**47,262**	*(1.5)*
Current assets						
Current tax assets	105	186	*(43.5)*	-	-	-
Inventories	222	142	*56.3*	222	142	*56.3*
Contract Assets	6,975	8,386	*(16.8)*	4,836	4,636	*4.3*
Trade and other receivables	14,848	18,479	*(19.6)*	15,112	18,627	*(18.9)*
Cash and cash equivalents	12,626	11,919	*5.9*	10,529	9,860	*6.8*
Total current assets	**34,776**	**39,112**	*(11.1)*	**30,699**	**33,265**	*(7.7)*
Total assets	**65,660**	**71,184**	*(7.8)*	**77,235**	**80,527**	*(4.1)*
Equity						
Share capital	26,254	26,254	-	26,254	26,254	-
Treasury shares	(1)	(1)	-	(1)	(1)	-
Share based compensation reserve	(61)	(61)	-	(61)	(61)	-
Translation reserve	884	878	*0.7*	(107)	(110)	*(2.7)*
Retained earnings	13,498	14,685	*(8.1)*	31,632	31,249	*1.2*
Equity attributable to owners of the Company	**40,574**	**41,755**	*(2.8)*	**57,717**	**57,331**	*0.7*
Non-controlling interests	-	-	-	-	-	-
Total equity	**40,574**	**41,755**	*(2.8)*	**57,717**	**57,331**	*0.7*
Liabilities						
Non-current liabilities						
Loans and borrowings	1,351	1,240	*9.0*	1,287	1,240	*3.8*
Provisions	615	599	*2.7*	615	599	*2.7*
Deferred tax liabilities	812	812	-	812	812	-
Total non-current liabilities	**2,778**	**2,651**	*4.8*	**2,714**	**2,651**	*2.4*
Current liabilities						
Trade and other payables	12,099	17,181	*(29.6)*	6,672	11,321	*(41.1)*
Contract liabilities	2,978	2,158	*38.0*	2,978	2,158	*38.0*
Provisions	1,978	2,198	*(10.0)*	1,978	1,978	-
Loan from shareholder	1,876	1,848	*1.5*	1,876	1,848	*1.5*
Loans and borrowings	2,899	3,047	*(4.9)*	2,867	2,968	*(3.4)*
Tax payable	478	346	*38.2*	433	272	*59.2*
Total current liabilities	**22,308**	**26,778**	*(16.7)*	**16,804**	**20,545**	*(18.2)*
Total liabilities	**25,086**	**29,429**	*(14.8)*	**19,518**	**23,196**	*(15.9)*
Total equity and liabilities	**65,660**	**71,184**	*(7.8)*	**77,235**	**80,527**	*(4.1)*

NM: Not meaningful

Note 1: The Company level includes Mun Siong Engineering Taiwan Branch's financial results.

C. Condensed interim statements of changes in equity

The Group	Share Capital	Treasury Shares	Translation Reserve	Retained Earnings	Share Based Compensation Reserve	Total	Non-Controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2026								
Balance at 1 January	26,254	(1)	878	14,685	(61)	41,755	-	41,755
Loss for the period	-	-	-	(1,187)	-	(1,187)	-	(1,187)
Foreign currency translation difference from foreign operations	-	-	6	-	-	6	-	6
Balance at 30 June	**26,254**	**(1)**	**884**	**13,498**	**(61)**	**40,574**	**-**	**40,574**
2025								
Balance at 1 January	26,254	(1)	363	20,076	(61)	46,631	-	46,631
Loss for the period	-	-	-	(3,547)	-	(3,547)	-	(3,547)
Foreign currency translation difference from foreign operations	-	-	270	-	-	270	-	270
Balance at 30 June	**26,254**	**(1)**	**633**	**16,529**	**(61)**	**43,354**	**-**	**43,354**

The Company	Share Capital	Treasury Shares	Translation Reserve	Retained Earnings	Share Based Compensation Reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2026						
Balance at 1 January	26,254	(1)	(110)	31,249	(61)	57,331
Profit for the period	-	-	-	383	-	383
Foreign currency translation difference from foreign operations	-	-	3	-	-	3
Balance at 30 June	**26,254**	**(1)**	**(107)**	**31,632**	**(61)**	**57,717**
2025						
Balance at 1 January	26,254	(1)	37	30,511	(61)	56,740
Loss for the period	-	-	-	(415)	-	(415)
Foreign currency translation difference from foreign operations	-	-	(85)	-	-	(85)
Balance at 30 June	**26,254**	**(1)**	**(48)**	**30,096**	**(61)**	**56,240**

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 June	
	1H 2026	1H 2025
	$'000	$'000
Cash flows from operating activities		
Loss before income tax	(955)	(3,441)
Adjustments for:		
Depreciation of property, plant and equipment	1,466	1,705
Interest expense	99	90
Reversal of impairment loss on contract assets	-	(11)
Property, plant and equipment written off	-	86
Unwinding of discount on provision for restoration costs	16	15
Share of results of an equity-accounted investee	(14)	(83)
Interest income	(49)	(55)
Net gain on disposal of property, plant and equipment	(61)	(644)
Operating cash flows before working capital changes	**502**	**(2,338)**
Changes in inventories	(80)	35
Changes in contract assets	1,410	(2,189)
Changes in trade and other receivables	3,631	4,121
Changes in trade and other payables	(5,217)	2,100
Changes in contract liabilities	820	(89)
Cash generated from operating activities	**1,066**	**1,640**
Tax paid (net)	(17)	(41)
Net cash generated from operating activities	**1,049**	**1,599**
Cash flows from investing activities		
Interest received	49	55
Proceeds from disposal of property, plant and equipment	106	815
Acquisition of property, plant and equipment	(121)	(565)
Net cash generated from investing activities	**34**	**305**
Cash flows from financing activities		
Proceeds from bank loans	-	742
Repayment of bank loans	(106)	(4,086)
Payment of lease liabilities	(67)	(84)
Interest paid	(73)	(91)
Net cash used in financing activities	**(246)**	**(3,519)**
Net increase/(decrease) in cash and cash equivalents	837	(1,615)
Cash and cash equivalents at beginning of period/year	11,919	10,268
Effect of exchange rate fluctuations on cash held	(130)	794
Cash and cash equivalents at end of period	**12,626**	**9,447**

E. Notes to the condensed interim consolidated financial statements

1. Corporate Information

Mun Siong Engineering Pte Ltd (the "Company") was incorporated in Singapore in 1969. It was converted to a public limited company in 2010 when its shares are quoted and traded on the main board of the Singapore Exchange.

The principal activities of the Company, including that of its subsidiaries and equity-accounted investee, are provisions of mechanical engineering, electrical engineering, project management and provision of specialized services to the process industries. Besides this, it is also an investment holding company.

To further the Company's interest in Malaysia, the Group has three entities namely, HIMS Integrated Services Sdn Bhd (an equity-accounted investee) ("HIMS") and Mun Siong Engineering Sdn Bhd, which in turn holds an equity interest in Pegasus Advance Engineering Sdn Bhd (the "PAE M").

Its business interest in Taiwan started with a branch office ("Branch") located in Kaohsiung, Taiwan. The financials of the Company include the results of the branch office. The Group also has a wholly owned subsidiary in Taiwan, namely Pegasus Advance Industrial Company Limited ("PAI"). PAI is also located in Kaohsiung.

For its US business, the Group set up an entity namely Pegasus Industrial Midwest Limited Liability Company ("PIM") in the State of Illinois, USA. PIM is a wholly owned subsidiary of Pegasus Advance Engineering (US) Inc ("PAE US"). PAE US is wholly owned by Pegasus Advance Engineering (Netherlands) BV ("PAE Netherlands") and it is also wholly owned by Pegasus Advance Engineering Pte Ltd ("PAE S"). The Company owns 100% interest in PAE S. PAE S, PAE Netherlands and PAE US principal activities are investment holding companies.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively the "Group") and the Group's interest in an equity-accounted investee.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and Amended Standards Adopted by the Group

A number of amendments to the Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

- Revenue recognition: estimate of total contract costs used in determining the percentage of completion (refer to Note 4); and
- Impairment of property, plant and equipment (refer to Note 11).

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period. However, it should be noted that shorter working days in a month due to public holidays, for example Chinese New Year and Christmas, do affect the Group's revenue and operating performance.

4. Revenue

	Group	
	6 months ended 30 June	
Revenue	**1H 2026**	**1H 2025**
	$'000	**$'000**
Revenue from contracts with customers	29,866	31,771

Significant judgements are used to estimate total contract costs to complete. In making these estimates, management has relied on past experiences of completed projects. The estimated total contract costs are reviewed at every reporting period and adjusted where necessary, with the corresponding effect of change being recognized prospectively from the date of change.

5. Segment and revenue information

The operating segments are reported in a manner consistent with internal reporting provided to the Group's Executive Committee who is responsible for allocating and assessing the performance of the operating segments. The Group's Executive Committee reviews internal management reports at least on a monthly basis.

There has been no change in reportable segment since FY2025.

Other services provided by the Group have been aggregated under the segment "Mechanical, electrical, instrumentation and others". None of these segments meets any of the quantitative thresholds for determining reportable segments in 1H2026 and 1H2025.

	Group	
	6 months ended 30 June	
Reportable Segments	1H 2026	1H 2025
	$'000	$'000
Revenue from external parties	29,866	31,771
Interest Income	49	55
Interest expense	99	90
Depreciation	1,466	1,705
Segment profit / (loss)	(994)	(3,549)
Unallocated segment profits	25	25
Share of results of an equity-accounted investee	14	83
Consolidated profit/(loss) before income tax	(955)	(3,441)
Tax (expenses)/credit	(231)	(106)
Earnings for the interim period	(1,186)	(3,547)
Capital expenditures	220	565
Total assets for the reportable segment	59,530	61,523
Total liabilities for the reportable segment	23,796	23,769

	Group	
	6 months ended 30 June	
Disaggregation of revenue	1H 2026	1H 2025
	$'000	$'000
Types of services:		
Rendering of services	29,866	31,771
Timing of revenue recognition		
At a point in time	22,146	24,710
Over time	7,720	7,061
	29,866	31,771
Geographical information		
Singapore	22,573	23,422
Malaysia	1,326	3,926
US	5,700	3,365
Taiwan	267	1,058
	29,866	31,771

6. Financial Assets and Financial Liabilities

Set up below is an overview of the financial assets and financial liabilities of the Group and Company as of 30 June 2026 and 31 December 2025.

	Group		Company	
	30-Jun-26	31-Dec-25	30-Jun-26	31-Dec-25
Financial Assets	$'000	$'000	$'000	$'000
At amortised cost				
Trade and other receivables (exclude prepayments)	14,198	18,154	38,715	42,237
Cash and cash equivalents	12,626	11,919	10,529	9,860
	26,824	30,073	49,244	52,097
Financial Liabilities				
At amortised cost				
Trade and other payables	12,099	17,181	6,672	11,321
Loan from shareholder	1,876	1,848	1,876	1,848
Bank loans	2,800	2,906	2,800	2,906
	16,775	21,935	11,348	16,075

Provision for expected credit losses (“ECL”)

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or financial reorganisation.

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

As at 30 June 2026, the Group’s impairment for contract assets and trade receivables balances were $43,000 (31 December 2025: $41,000) and $32,000 (31 December 2025: $32,000) respectively.

7. Profit/(Loss) Before Income Tax

7.1. Significant Items

	Group		
	6 months ended 30 June		Incr/
	1H2026	1H2025	(Decr)
	$'000	$'000	%
Depreciation of property, plant and equipment	1,466	1,705	(14.0)
Net gain on disposal of property, plant and equipment	(61)	(644)	(90.5)
Property, plant and equipment written off	-	86	(100.0)
Reversal on impairment loss on contract assets	-	(11)	(100.0)
Reversal of provision for foreseeable losses	(220)	-	100.0
Net foreign exchange (gain)/loss	(138)	698	NM
Finance (income)/expenses:			
Interest income	(49)	(55)	(10.9)
Interest on borrowings	64	52	23.1
Interest on lease liabilities	35	38	(7.9)
Unwinding of discount on provision for reinstatement costs	16	15	6.7
Under provision of tax in respect of prior years	-	12	(100.0)

7.2. Related Party Transactions

	Group	
	6 months ended 30 June	
	1H 2026	1H 2025
	$'000	$'000
Income/(expense)		
Equity-accounted investee		
Revenue from contract (rendering of services)	1,329	3,505
Management fees paid	(82)	(65)
Transactions with key management personnel		
- Directors' fees	(77)	(77)
- Short-term employee benefits	(837)	(870)

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30 June	
	1H 2026	1H 2025
	$'000	$'000
Current tax expense		
Current year	231	45
Under provision in respect of prior years	-	12
Deferred tax expenses / (credit)		
Origination and reversal of temporary differences	-	49
Total tax expense	231	106

9. Dividends

No interim dividends for the first half ended 30 June 2026 (30 June 2025: $Nil) is recommended.

10. Net Asset Value

	Group		Company	
	30 June 2026	31 Dec 2025	30 June 2026	31 Dec 2025
Net asset value per ordinary share based on existing issued share capital as at the respective dates (cents)	6.98	7.18	9.93	9.86
Number of shares (issued and issuable) used in computing net asset value per ordinary share	581,512,400	581,512,400	581,512,400	581,512,400

11. Property, Plant and Equipment

	Group	
	6 months ended 30 June	
	1H2026	1H2025
	$'000	$'000
Acquisition		
Property, plant and equipment	121	565
Rights of use assets	99	-
	220	**565**
Disposal and Write off		
Property, plant and equipment	(46)	(257)
Rights of use assets	(1)	-
	(47)	**(257)**
Modification		
Property, plant and equipment	-	-
Rights of use assets	84	-
	84	**-**

For the period under review, the Group's market capitalization is lower than its net assets as at 30 June 2026. The Group performed an impairment assessment of its property, plant and equipment by determining the recoverable amount. This assessment requires significant judgement and takes into account past performance, management's expectations of market development, future cash flow and discount rates. The recoverable amount could change significantly, as a result of changes in market conditions and the assumptions used in determining the recoverable amount. Management assessed that no impairment losses were necessary for the period ended 30 June 2026.

The Group does not have any outstanding capital commitments as at 30 June 2026 (31 December 2025: $Nil)

12. Investment Properties

The Group's investment properties consist of commercial properties, held for long-term rental yields and capital appreciation. These properties are not occupied by the Group and are leased to unrelated third parties under operating leases.

	Group and Company	
	2026	2025
Investment Properties	$'000	$'000
At 1 January	1,291	1,380
Fair value gain	-	-
At 30 June	1,291	1,380

12.1. Valuation

The Group engages external independent qualified valuers to determine the fair value of the Group's investment properties at the end of each financial year. The fair value measurement for all the investment properties has been categorized as a Level 2 fair value based on direct comparison method.

For the twelve months ended 31 December 2025, the Group recognized a fair value loss of $89,000 on the investment properties.

For the period ended 30 June 2026, the Group did not engage an independent valuer to determine the fair value. However, management had taken into consideration those underlying factors that would have made an impact to the fair value of the investment properties since the last valuation done in December 2025, including any tenant changes, assessing market rentals etc. For the period ended 30 June 2026, management assessed that there were no changes in the fair value of the investment properties.

13. Loans and Borrowings

	Group		Company	
	30 June 2026	31 Dec 2025	30 June 2026	31 Dec 2025
	$'000	$'000	$'000	$'000
Amount repayable within one year				
Lease liabilities (secured)	99	141	67	62
Bank loans				
-secured	-	-	-	-
-unsecured	2,800	2,906	2,800	2,906
Loan from shareholder (unsecured)	1,876	1,848	1,876	1,848
	4,775	4,895	4,743	4,816
Amount repayable after one year				
Lease liabilities (secured)	1,351	1,240	1,287	1,240
Bank loans				
-secured	-	-	-	-
-unsecured	-	-	-	-
Loan from shareholder (unsecured)	-	-	-	-
	1,351	1,240	1,287	1,240
	6,126	6,135	6,030	6,056

The lease liabilities are secured against the respective operating assets and right-of-use assets.

During the period under review, the Group's unsecured bank borrowings decreased from $2.9 million as at 31 December 2025 to $2.8 million as at 30 June 2026, mainly due to repayment. No additional bank loans were obtained during the period. These borrowings continued to be utilised to finance the Group's working capital requirements.

The executive chairlady and controlling shareholder have extended revolving credit facilities in SGD and MYR to the Company. These facilities continue to be utilised for Group's working capital requirements. As at 30 June 2026, the outstanding loan from controlling shareholder was $1.88 million (31 December 2025: $1.848 million). No principal repayment was made during the period under review and the facilities remain unsecured. The lender has continued to express willingness to extend or roll over the facilities upon maturity.

As at 30 June 2026, the Group and the Company did not have any hire purchase outstanding amounts.

14. Share Capital

	Group and Company			
	As at 30 June 2026		As at 31 Dec 2025	
	Number of shares '000	Amount $'000	Number of shares '000	Amount $'000
Issued and paid-up share capital				
As at beginning and end	581,546	26,254	581,546	26,254
Treasury shares				
As at 1 January	34	1	34	1
Purchase of treasury shares	-	-	-	-
Reissuance of treasury shares pursuant to share plan	-	-	-	-
As at the end	34	1	34	1

The total number of issued shares excluding treasury shares as at 30 June 2026 was 581,512,400 (31 December 2025: 581,512,400).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

15. Subsequent Event

There are no known subsequent events, as at the date of this announcement, which have led to adjustments to this set of interim financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed

The condensed consolidated statement of financial position of Mun Siong Engineering Ltd and its related companies as at 30 June 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue and Profitability

	Group			
	1H FY2026 vs 1H FY2025			
	1H 2026	1H 2025	Var	Var
Operations	$'000	$'000	$'000	%
Singapore	22,573	23,599	(1,026)	(4.3)
Malaysia	1,326	3,749	(2,423)	(64.6)
Taiwan	267	1,058	(791)	(74.8)
US	5,700	3,365	2,335	69.4
Revenue	29,866	31,771	(1,905)	(6.0)
Cost of Sales	(27,229)	(31,426)	4,197	(13.4)
Gross Profit	**2,637**	**345**	**2,292**	**664.3%**
Gross Margin	8.8%	1.1%		

The Group recorded revenue of $29.9 million for the period ended 30 June 2026 ("1H2026"), compared with $31.8 million for the period ended 30 June 2025 ("1H2025"). Revenue from Singapore and Malaysia declined during the period. Singapore revenue fell by $1.0 million, or 4.3%, while Malaysia revenue decreased by $2.4 million, or 64.6%, as both markets experienced lower work volumes and smaller-value projects. In contrast, the US operation delivered stronger revenue, increasing by $2.4 million, or 69.4%, driven by improved utilization across both turnaround and non-turnaround activities, together with continued growth in its customer base.

Cost of sales fell by $4.2 million, or 13.4%, from $31.4 million in 1H2025 to $27.2 million. This reduction improved the gross profit margin from 1.1% to 8.8%. In addition to reducing its directly employed workforce in early FY2025 to improve workforce utilization, the Group strengthened its central planning and resource coordination, improving the deployment of resources across operations, which further supported the margin improvement. This substantially reduces its dependence on subcontractors.

In addition to addressing its cost structure, the Group has begun to reap its rewards for its efforts in the US. Though the US operation had contributed significantly to operating losses in 1H2025, there was a substantial increase in non-turnaround revenue starting in Q42025. This has led to increased revenue outside of the historical peak seasons for our US operations and also led to significant revenues improvement in its repair and fabrication services. In 1H2026, the US operation achieved gross profitability. The gross losses in FY2025 and FY2024 were mainly due to low business activity from a reliance on cleaning services and turnarounds, which resulted in underutilized facilities and insufficient recovery of recurring fixed costs. During 1H2026, the Group's continued focus on its repair and fabrication services increased business activity and attracted new customers, while also reviewing its job-costing and risk management processes. As a result, revenue rose by 69.4% from $3.4 million in 1H2025 to $5.7 million in 1H2026, while the gross profit margin reached 15.4%.

Revenue from the Singapore operation declined slightly by 4.3%, from $23.6 million in 1H2025 to $22.6 million in 1H2026. Despite the lower revenue, the operation remained gross profit positive, 10.7% in 1H2026 compared with 9.1% in 1H2025. The better margins in 1H2026 were partially aided by additional work orders.

Revenue from the Malaysia operation fell significantly, from $3.7 million in 1H2025 to $1.3 million in 1H2026, as the client prepared for the upcoming turnaround project. This resulted in an operation gross loss and negative cashflow for Malaysia.

The Taiwan operation made an insignificant contribution to revenue in 1H2026 but remained both gross profit and cashflow positive.

<u>Other income</u>

Other income decreased by $0.4 million mainly due to the higher gain on disposal of fixed assets of $0.6 million in the prior period as compared to $0.1 million in the current period.

<u>Administration Expenses</u>

The administrative costs in both periods were stable and comparable with a slight increase of $0.2 million.

<u>Other Operating Income/ (Expenses)</u>

The Group recorded an exchange gain of $0.1 million in 1H2026 as compared to an exchange loss of $0.8 million in 1H2025. 1H2025 exchange losses are mostly unrealized and arose mainly from the Group's USD cash balances and foreign currency monetary balances denominated in USD dollars.

<u>Finance Income</u>

Finance income was stable with a slight reduction of about $6,000 as compared to the prior period.

<u>Finance Costs</u>

Finance expenses remained stable with a slight increase of about $10,000 as compared to the prior period.

<u>Tax Expense</u>

The Group incurred higher tax expenses in 1H2026 of $0.2 million as compared to 1H2025 in line with the reduced losses.

Loss before income tax

The Group had significantly reduced its operating losses, from $3.4 million in 1H2025 to $1.0 million in 1H2026. This improvement was substantially driven by the US operations, which became profitable in 1H2026 after contributing to the Group's losses in 1H2025.

Despite the operating losses, the Group achieved positive operating cashflow in 1H2026 and generated a positive EBITDA of $0.8 million as compared to a negative EBITDA of $1.6 million in 1H2025.

Review of statements of financial position

The Group's non-current assets decreased by $1.2 million to $30.9 million in 1H2026 mainly from depreciation of property, plant and equipment.

The Group's current assets decreased by $4.3 million to $34.8 million in 1H2026 mainly from decrease in trade receivable (19.6%), contract assets (16.8%) and current tax assets. The reductions in receivables and contract assets reflected an improvement in progress claim certifications and billing processes that supported the stronger collection performance in cash and cash equivalents. This was partially offset by an increase in inventories.

The Group's non-current liabilities increased by $0.1 million in 1H2026 to $2.8 million mainly from loans and borrowings.

The Group's current liabilities decreased by $4.5 million mainly due to reductions in trade and other payables, provisions, loans and borrowings, reflecting its strengthened cash position and prudent working capital management. This was partly offset by an increase in contract liabilities arising from higher customer billings and advance payments, which contributed positively to the Group's cash flow. The increase in tax payable was consistent with the Group's improved financial performance and lower loss position during the current period.

Review of cash flow statement

Net cash generated from operating activities for the Group in 1H2026 was $1.0 million.

The Group generated $0.03 million from investing activities mainly from interests received and proceeds from disposal of property, plant and equipment.

The Group used $0.2 million in financing activities in 1H2026 for repayment of bank loans, interest and lease liabilities.

As a result of the above, there was an increase of $0.8 million in cash and cash equivalents to $12.6 million in 1H2026.

3. Where a forecast, or a prospect statement, has been previously disclosed toshareholders, any variance between it and the actual results

No forecast was previously provided.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Singapore and US operations are expected to continue as key revenue drivers in 2H2026.

Although Singapore operations may continue to face headwinds in volume and dollar-value opportunities, stronger control over operating costs (as in 1H2026) will increase its yield on revenue. In 1H2026, the Electrical and Instrumentation division, which has traditionally focused on the oil and gas industry, secured work for Changi Airport T5, with work expected to begin in 2027. The division has historically contributed between 13% to 20% of revenue. It will continue to seek opportunities in the infrastructure ecosystem.

According to the Building and Construction Authority's medium-term outlook, construction demand is expected to remain strong, ranging from $39 billion to $46 billion annually from 2027 to 2030. Key drivers include the Changi Airport T5 development, and sustained demand for residential and institutional infrastructure projects.

The repair and fabrication divisions for our US operations are expected to generate steady revenue and cashflow while addressing underutilization and insufficient fixed-cost recovery in the past. Their profit margins in 1H2026 were encouraging and, if sustained, should be comparable to those of cleaning services, supporting overall US margins. The cleaning services, repair and fabrication divisions have also increased the number of recurring customers, reducing reliance on each client, and provided a more consistent demand for the US services year-round.

On 13 July 2026, we announced that HIMS Integrated Services Sdn Bhd, in which the Company holds a 49% equity interest, had received approximately $47 million in orders from PRefChem. As at the date of this announcement, discussions on the commencement date remain ongoing. Revenue from the Malaysia operation is unlikely to make a meaningful contribution in FY2026, and the operation is expected to continue recording gross losses. To manage operating costs, the operation has significantly reduced manpower and minimized the use of subcontractors.

The Taiwan office will continue fulfilling orders under the maintenance contract awarded by CPC Corporation, Taiwan ("CPC Taiwan"), its revenue and profit contribution in FY2026 is expected to be insignificant. CPC Taiwan may issue tenders for turnaround work at two plants where we have successfully completed turnaround work previously. If these tenders proceed, we intend to bid for the work.

We are cautiously optimistic that operating losses from FY2025 will narrow in FY2026, supported by improved working capital liquidity. The US operation, which recorded gross loss and contributed significantly to FY2025 and FY2024 operating losses, is expected to achieve gross profit in FY2026.

The Board will provide guidance for 9 months ending 30 September in November 2026.

5. Dividend Information

No dividend has been declared or recommended for the period ended 30 June 2026.

6. Interested person transactions.

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

The aggregate value of the interested person transaction for the period under ended 30 June 2026 was as follows: -

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920	
		Period ended		Period ended	
		30 June 26 $'000	30 June 25 $'000	30 June 26 $'000	30 June 25 $'000
Cheng Woei Fen	Executive Chairlady /Controlling Shareholder				
The total interest expense on the shareholder loan for the period ended 30 June 2026 amount to $26K (30 June 2025:$26K)					
Total Interested Person Transactions		-	-	-	-

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Relating to an announcement of interim financial statements (quarterly or half-yearly), confirmation from directors under Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2026 to be false or misleading in any material aspect.

9. Disclosure pursuant to Rule 706A of the Listing Manual

For the period 1 January 2026 to 30 June 2026, there are no changes to the Company and the Group shareholding percentages in its respective subsidiaries and associated company,

Neither the Company nor any of the Group’s entities incorporate any new subsidiary or associated company during this period.

On behalf of the Board of Directors

Cheng Woei Fen
Executive Chairlady

Quek Kian Hui
Executive Deputy Chairman and CEO

13 August 2026